

**Board of Directors Meeting
 ALA Midwinter Meeting, Dallas
 January 20 – 24, 2012**

Topic: FY11 Final Close Figures

Background: The 2011 fiscal year ended August 31st, 2011. A summary report of YALSA’s finances is provided below.

Action Required: Information

END OF FY11 at third close (not including Morris or 48 accounts)

	Actual	Budgeted	Variance
Total Revenue	570,045	730,336	(160,290)
Total Direct Expenses	603,506	683,416	79,909
Contribution Margin (what’s left over after you subtract cost from revenue)	(33,461)	46,920	(80,381)
Overhead (what we contribute to ALA in return for services)	39,363	62,773	23,409
Tax	293	293	0
Net Revenue (if the #'s in parentheses, it’s negative)	(73,117)	(16,146)	(56,971)
Ending Net Asset Balance	303,559*		

*In accordance with best practices in the not-for-profit sector, YALSA’s fund balance needs to remain at or slightly above \$305,208 (6 months’ expenses) ideally, or above \$203,472 (4 months’ expenses) at a minimum.

August 31 marked the end of the 2011 fiscal year. YALSA’s revenue-generating products and services ended the year as a mixed bag, with some of them doing well and others underperforming. Overall, revenues ran 22% behind projections.

Revenues

Revenues were better than budgeted for self-published books, bulk seals, TTW products, Friends of YALSA and the YA Literature Symposium. Dues were less than projected for the fiscal year by 5.8%, although membership for Aug. was 5,327, which is up 1% compared to the same time last year. Revenues for ticketed events at Annual were at budget. Under performing revenue streams are:

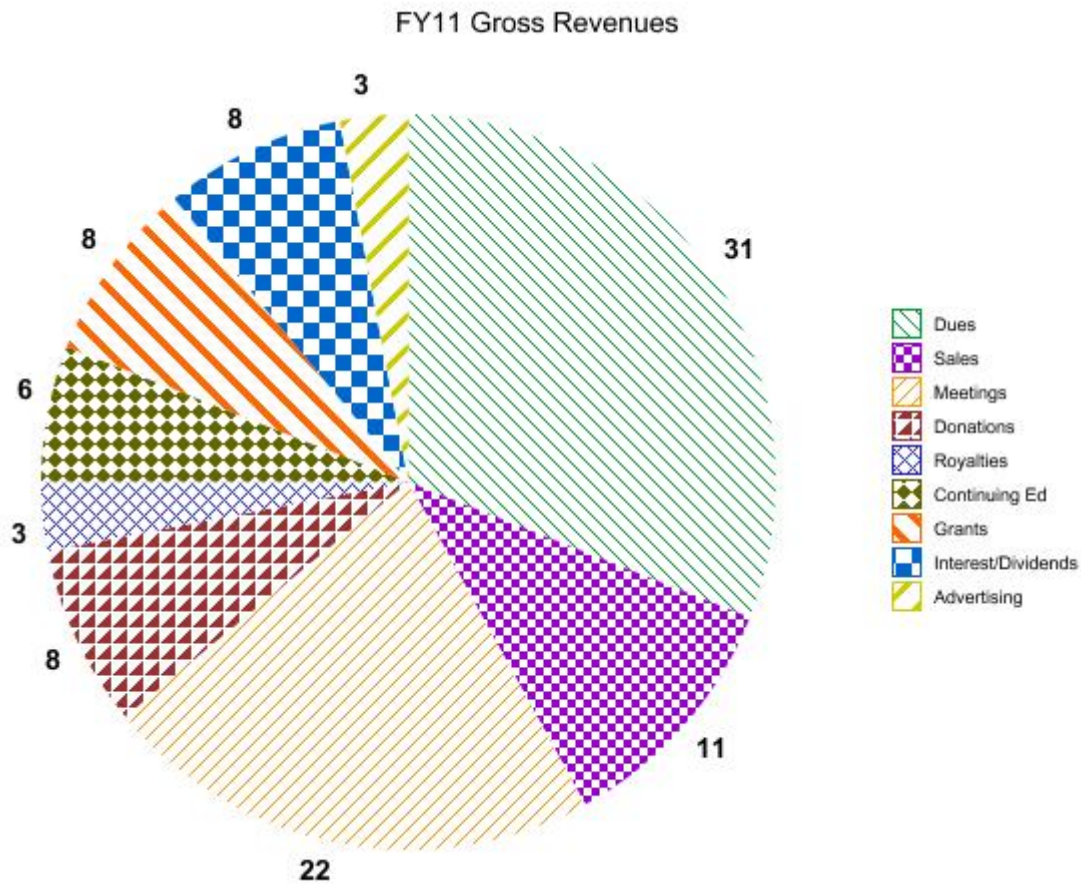
- Ad sales (13% behind budget)
- TRW product sales (14% behind budget)
- webinars (31% behind budget)
- e-courses (41% behind budget)
- licensed institutes (30% behind budget)
- Sponsorships for TRW and TTW (14% behind budget)

Net Sales History

	FY07	FY08	FY09	FY10	FY11
Award seals	23,116	9,912	36,876	50,179	46,445
Dues	183,484	213,459	216,082	207,366	209,044
E-courses	18,081	28,506	18,427	3,178	6,068
Webinars	N/A	N/A	N/A	500	8,161
Licensed Institutes	9,600	4,000	9,500	12,200	8,774
Periodicals	(37,182)	(13,856)	(24,540)	(12,361)	(22,347)
Publications (books)	8,436	10,758	1,676	19,654	9,225
TRW & TTW	68,609	85,815	9,464	17,616	20,786
Conference events	41,228	42,101	32,289	34,095	30,834
Symposium	N/A	N/A	24,241	(2,624)	40,044

Fundraising & Endowments:

- The Morris Endowment’s balance at the start of FY11 was \$556,987. The fund ended the year with a balance of \$608,492.
- The Leadership Endowment’s balance at the start of FY11 was \$42,324. The fund ended the year with a balance of \$46,790.
- Friends of YALSA raised \$17,312, which was directed toward creating resources to mail to TRW registrants, funding one Spectrum Scholar and funding two Emerging Leaders



Dues (\$209,044): includes student, retiree, regular, organizational, corporate, and lifetime memberships for approximately 5,400 members

Sales (\$71,527): includes award seals, subscriptions to *YALS*, self published books

Meetings (\$147,551): ticketed events at Midwinter and Annual, as well as registration and ticketed events for the YA Lit Symposium

Donations (\$53,328): Corporate sponsorships, promotional partnerships, Friends of YALSA and Leadership Endowment

Royalties (\$19,670): includes books published with Neal-Schuman and ALA Editions, TRW products, TTW products and other products sold through ALA Graphics (pamphlets, bookmarks)

Continuing Education (\$37,674): includes regional licensed institutes, webinars and e-courses

Grants (\$53,328): Dollar General funds for 2011 summer reading & Carnegie Publishing

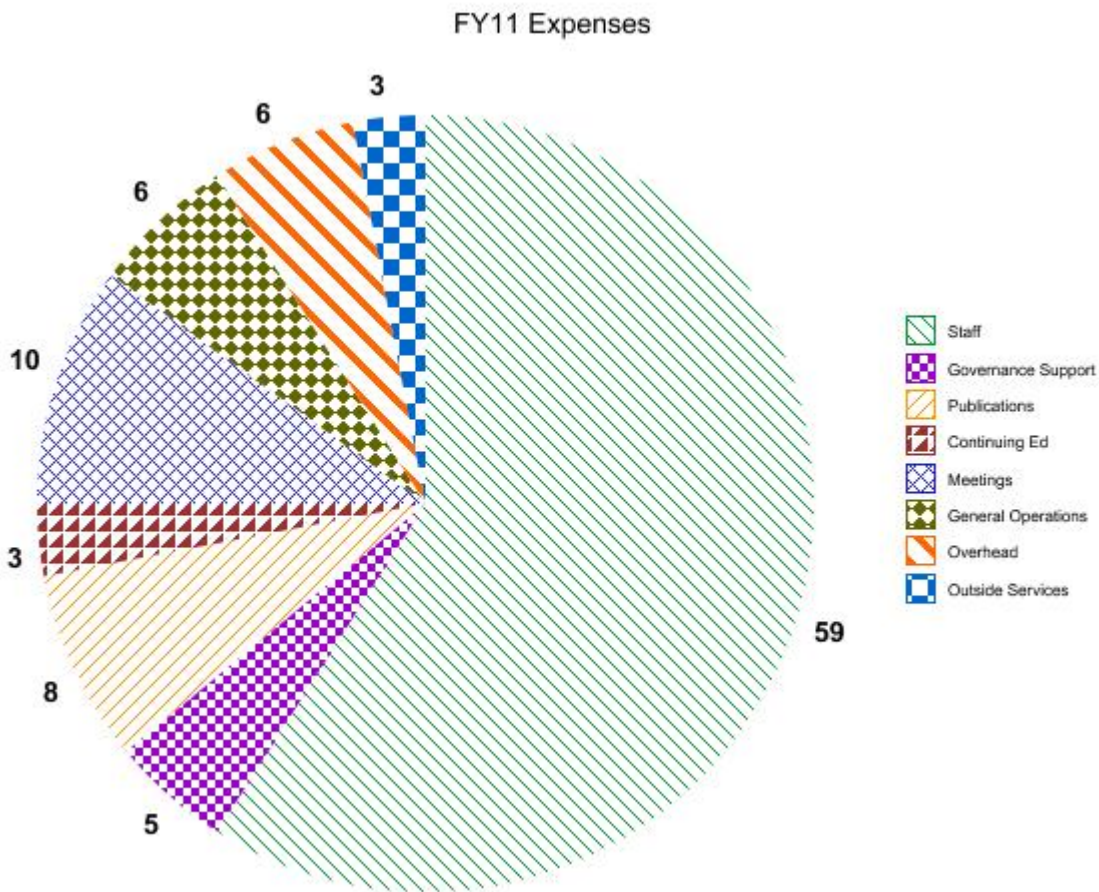
Interest/Dividends/Gains (\$52,861): Leadership and Morris endowments

Advertising* (\$18,530): ads in *YALS*, symposium program and *YALSA E-News*

*YALSA's only taxable income

Expenses

YALS expenses and all CE expenses were under budget. Staff salaries were slightly higher than budgeted, due to the salary increase for the Web Services Manager position. Staff benefits were 16% over budget, due to increased health insurance costs. Expenses for membership retention and promotion were 12% under budget. Expenses for governance and committee support were 14% over budget. Publishing expenses remained over budget due to higher than anticipated editing and proofreading costs.



Staff (\$362,909): salary, benefits and professional development for 5 full time staff and compensation for a part-time intern

Governance support (\$26,258): travel, training, memberships, etc. for YALSA leadership

Publication related (\$47,774): printing, design, proofreading, typesetting, etc. for *YALS*, *YALSA E-news*, *JRLYA*, book length publications and some TRW collateral

CE related (\$13,100): registration fee, Adobe subscription, facilitator/presenter honorarium, presenter travel expenses

Meetings (\$58,673): meals, equipment, speaker honorariums, A/V equipment, transportation, awards and exhibits for Midwinter, Annual and the YA Lit Symposium

General Operations (\$44,491): supplies, postage, computer equipment, furniture, photocopying, telecommunications, bank fees etc.

Overhead (\$39,363): a percentage of certain revenues (e.g. royalties from outside publications) YALSA pays to ALA in return for services such as office space & furniture, legal services, PIO, ITTS, ALA Library, etc. The percentage varies based on type of revenue from about 11% to 25%.

Outside Services (\$19,701): web developer, editors' stipends, strategic planning consultant, etc.